VA Home Loan Guaranty

Instructor Lesson Plan

Time Required: 1 Hour

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| Lesson Description | |
| The information below provides the instructor with an overview of the lesson and the materials that are required to effectively present this instruction. | |
| TMS # | 4557690 |
| Prerequisites | Prior to this lesson, the Veteran Service Representative (VSR) trainee should be familiar with Ancillary Benefits and Character of Discharge development and benefit eligibility determinations. |
| target audience | The target audience for VA Home Loan Guaranty lesson is VSR, Intermediate Level.  Although this lesson is targeted to teach the VSR, Intermediate Level employee, it may also be taught to other VA personnel as mandatory or refresher type training. |
| Time Required | 1 hour |
| Materials/ TRAINING AIDS | Lesson materials:   * VA Home Loan Guaranty PowerPoint Presentation * VA Home Loan Guaranty Trainee Handout * VA Home Loan Guaranty Job Aid |
| Training Area/Tools | The following are required to ensure the trainees are able to meet the lesson objectives:   * Classroom or private area suitable for participatory discussions * Seating, writing materials, and writing surfaces for trainee note taking and participation * Handouts, which include a practical exercise * Large writing surface (easel pad, chalkboard, dry erase board, overhead projector, etc.) with appropriate writing materials * Computer with PowerPoint software to present the lesson material   Trainees require access to the following tools:   * VA TMS to complete the assessment |

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| Pre-Planning | * Become familiar with all training materials by reading the Instructor Lesson Plan while simultaneously reviewing the corresponding PowerPoint slides. This will provide you the opportunity to see the connection between the Lesson Plan and the slides, which will allow for a more structured presentation during the training session. * Become familiar with the content of the trainee handouts and their association to the Lesson Plan. * Practice is the best guarantee of providing a quality presentation. At a minimum, do a complete walkthrough of the presentation to practice coordination between this Lesson Plan, the trainee handouts, and the PowerPoint slides and ensure your timing is on track with the length of the lesson. * Ensure that there are copies of all handouts before the training session. * When required, reserve the training room. * Arrange for equipment such as easel charts, an overhead projector, and any other equipment (as needed). * Talk to people in your office who are most familiar with this topic to collect experiences that you can include as examples in the lesson. * This lesson plan belongs to you. Feel free to highlight headings, key phrases, or other information to help the instruction flow smoothly. Feel free to add any notes or information that you need in the margins. |
| Training Day | * Arrive as early as possible to ensure access to the facility and computers. * Become familiar with the location of restrooms and other facilities that the trainees will require. * Test the computer and projector to ensure they are working properly. * Before class begins, open the PowerPoint presentation to the first slide. This will help to ensure the presentation is functioning properly. * Make sure that a whiteboard or flip chart and the associated markers are available. * You will complete a roll call attendance sheet or provide a sign-in sheet to the students. The attendance records are forwarded to the Regional Office Training Managers. |

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| Introduction to VA Home Loan Guaranty | | |
| INSTRUCTOR INTRODUCTION | | Complete the following:   * Introduce yourself * Orient learners to the facilities * Ensure that all learners have the required handouts |
| time required | | 5 minutes |
| Purpose of Lesson  Explain the following: | | This lesson is intended to explain the VA Home Loan Guaranty (LGY) Program to VSR trainees and how these claims are processed. This lesson will contain discussions and exercises that will allow the trainee to gain a better understanding of:   * The LGY benefit application process, required forms and end product (EP) control * LGY benefit eligibility criteria and eligibility determinations * Roles and responsibilities of Veteran Service Center (VSC) claims processors |
| Lesson Objectives  Discuss the following:  Slide 2  Handout 2 | In order to accomplish the purpose of this lesson, the VSR trainee will be required to accomplish the following lesson objectives.  Thetraineewill be able to:   * Define the VA Home Loan Guaranty (LGY) claims process and benefit eligibility criteria * Identify prescribed application forms and end product (EP) controls * Recognize the different roles and responsibilities processing LGY claims * Explain the actions needed to respond to an LGY request for certification | |
| Explain the following: | Each learning objective is covered in the associated topic. At the conclusion of the lesson, the learning objectives will be reviewed. | |
| Motivation | **Veterans rely on ancillary benefits, such as Home Loan Guaranty, to cope with hardship and improve their quality of life. Therefore it’s important for claims processors to understand these ancillary benefit programs and their specific roles and responsibilities in processing these claims to ensure accuracy of entitlement and timeliness of delivery.** | |
| STAR Error codeS | VSR Tasks 1, 3, 6, 7, 11 | |
| References  Slide 3  Handout 3 | Explain where these references are located.  All M21-1 references are found in the [Compensation and Pension Knowledge Management (CPKM) Portal](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034).   * [38 CFR 3.12](https://www.ecfr.gov/cgi-bin/text-idx?SID=ad275643432556b9dda942343fb89296&mc=true&node=pt38.1.3&rgn=div58#se38.1.3_112)– Character of discharge * [38 CFR 3.103](https://www.ecfr.gov/cgi-bin/text-idx?SID=ad275643432556b9dda942343fb89296&mc=true&node=pt38.1.3&rgn=div58#se38.1.3_1103)– Procedural due process and other rights * [38 CFR 3.315(b)](https://www.ecfr.gov/cgi-bin/text-idx?SID=ad275643432556b9dda942343fb89296&mc=true&node=pt38.1.3&rgn=div58#se38.1.3_1315) – Loans * [M21-1 III.i.2.C.2](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014102/M21-1,-Part-III,-Subpart-i,-Chapter-2,-Section-C---Ancillary-Benefits-and-Other-Issues-Involving-Pre-Discharge-Claims#2) – Loan Guaranty Claims * [M21-1, Part III, Subpart v, Chapter 1, Section B](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014217/M21-1-Part-III-Subpart-v-Chapter-1-Section-B-Statutory-Bars-to-Benefits-and-Character-of-Discharge-COD) - Statutory Bars to Benefits and Character of Discharge (COD) * [M21-1, Part IX, Subpart i, Chapter 5, Section A](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014684/M21-1-Part-IX-Subpart-i-Chapter-5-Section-A-The-Department-of-Veterans-Affairs-VA-Home-Loan-Program) - The Department of Veterans Affairs (VA) Home Loan Program * [M21-4 Appendix B, EP 290](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000011474/Appendix%20B.%20End%20Product%20Codes#2) – Eligibility Determinations - Other * [M26-1 Guaranteed Loan Processing Manual](https://www.benefits.va.gov/warms/M26_1.asp) * [VA Home Loans](https://www.va.gov/housing-assistance/home-loans/) website | |

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| Topic 1: VA Home Loan Guaranty Program Overview | |
| Introduction | This topic will allow the trainee to understand at a basic level what the VA Home LGY Program is, who may qualify to receive the benefit and what the claims process is. |
| Time Required | 15 minutes |
| OBJECTIVES/ Teaching Points | Topic objectives:   * Define the VA Home LGY benefit * Review LGY benefit eligibility criteria * Understand the different stages of the LGY claim process   The following topic teaching points support the topic objectives:   * VA guarantees a portion of home loans for qualifying Veterans, servicemembers, and surviving spouses * LGY applications are reviewed and processed by Regional Loan Processing Centers (RLCs) * Sometimes eligibility determinations are needed from a Veterans Service Center (VSC) or Pension Management Center (PMC) |
| VA Home Loan Program  *Discuss the following:*  Slide 4  Handout 4 | A VA Home Loan Guaranty (LGY) backs private loans by guaranteeing a portion of the home loan to the private lender should the loan go into foreclosure. This enables lenders to provide more favorable terms to borrowers, such as no required down payment. This program is not a loan.  VA will guarantee home loans to purchase, build, improve or refinance a home. However, borrowers must still qualify for the loan based on their credit and income for the desired loan amount. Veterans, servicemembers and surviving spouses can qualify for this benefit – more on this later. |
| Loan Limits  *Discuss the following:*  Slide 5  *Handout 4* | VA has the same limits as the Federal Housing Finance Agency’s (FHFA’s) as to the amount of a home loan they can guarantee – these limits change each year and are based on the county where the property is located.  The home loan benefit may be “restored” and reused provided the original loan guaranteed by VA has been fully paid off or transferred to another qualified claimant substituting their own VA home loan entitlement to assume repayment of the loan. Refer trainees to the [VA Home Loans](https://www.va.gov/housing-assistance/home-loans/) website for more information. |
| Eligibility Criteria  *Discuss the following:*  Slide 6  Handout 4 | Active duty Veterans or servicemembers with *other than dishonorable* service may qualify for VA LGY benefits. Length of service requirements vary depending on dates of active duty service and separation reason and can range from 90 days to 24 months.  For servicemembers *currently* serving on active duty, 90 days of continuous active duty service is required to qualify for the benefit.  Exceptions to the length of service requirement may apply if the Veteran was medically discharged, discharged due to a service-connected disability or at the convenience of the government, etc.  Additionally, members of the Reserve or National Guard with at least 6 creditable years in the Selected Reserve or National Guard with honorable service, or who were retired or transferred to the Standby/Ready Reserve after Honorable service, may also qualify. |
| Others Who May Qualify  *Discuss the following:*  Slide 7  *Handout 5* | Other eligible claimants may include:   * A surviving spouse of a Veteran who died in-service or had service-connected disability   + Also includes servicemembers missing in action and being held as a prisoner of war * A US citizen who served in the Armed Forces of a government allied with the US in World War II * A Public Health Service officer * A cadet at the United States Military, Air Force, or Coast Guard Academy * A midshipman at the US Naval Academy * An officer of the National Oceanic & Atmospheric Administration (NOAA), or * A merchant seaman during World War II |
| Required Forms    *Explain the following:*  Slide 8  *Handout 5* | VA Home LGY applications can be submitted either electronically via eBenefits, through the lender (WebLGY portal), or by mail.  The prescribed forms to apply for VA Home Loan benefits are:   * VA Form 26-1880, *Request for Certificate of Eligibility* * VA Form 26-1817, *Request for Determination of Loan Guaranty Eligibility – Unmarried Surviving Spouse* |
| Claims Process Overview  Explain the following:  Slide 9  *Handout 5-6* | This slide contains a diagram depicting the VA LGY application process.  VA Home Loan Guaranty applications are processed by Regional Loan Centers (RLCs) operating under the VA Loan Guaranty Service (LGY). The RLC reviews the application and determines whether the claimant meets the VA home loan eligibility criteria. If the claimant is found entitled to the benefit, the RLC issues them a Certificate of Eligibility (COE) to apply for their home loan.  If there is a question as to a claimant’s eligibility, the RLC may request a Veterans Service Center (VSC) or Pension Management Center (PMC) to make such a determination. In some circumstances a rating decision may be needed to make that determination.  Once a basic eligibility determination has been made by the VSC or PMC, the RLC will notify the claimant of the outcome of that decision. If the claimant is found to be entitled to benefits, the RLC will then issue a COE to the claimant. |

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| Topic 2: Processing LGY Requests for Certification | |
| Introduction | This topic will allow the VSR trainee to understand how LGY requests for certification are received from the RLCs, determine what development, if any, is needed, and how to respond to the request. |
| Time Required | 30 minutes |
| OBJECTIVES/ Teaching Points | Topic objectives:   * Identify end product (EP) controls for LGY certification requests * Recognize the different roles and responsibilities processing LGY requests * Explain the actions needed to respond to a LGY request for certification   The following topic teaching points support the topic objectives:   * The RLC will send a request for cerification to a VSC or PMC regarding certain types of eligibility factors * VSRs should determine whether additional development or due process is needed before a response can be rendered * VSRs should provide a response to the RLC by annotating the request form and close the controlling EP |
| Request for Certification  Explain the following:  Slide 10  Handout 6 | If the RLC requires a VSC or PMC to make a basic eligibility determination, the RLC will send the VSC or PMC of jurisdiction a request of certification. The request of certification should contain at minimum the name and address of the person applying for a COE and the Veteran’s full name and claims folder number.  RLCs may submit the request to the VSC or PMC using either the claimant’s loan application form, an email to a VSC or PMC point of contact, or using VA Form 3232, *General Information Request*.  The VSC or PMC claims processor will annotate a response directly on the received documentation, obtain the required VSC or PMC manager signatures, and notify the request originator – procedures will vary from case to case depending on how the request was received.  Note: Only one response is required if the RLC sends multiple requests for the same beneficiary. |
| End Product (EP) Control  Discuss the following:  Slide 11  *Handout 6* | When a request for certification is received, the request will be controlled with:   * EP 290 – *Eligibility Determination*, or * EP 290 – *Pre-Discharge – LGY Determination*   If a response can be furnished based on the evidence of record, you should change the EP to 400 – *Correspondence* and clear it once the response has been provided to the RLC.  If additional development or action is needed *before* a response can be provided, the claim should be processed under the pending EP 290.  Refer to the NWQ Playbook regarding claim routing procedures. |
| Jurisdiction of Basic Eligibility Determinations  Discuss the following:  Slide 12-13  Handout 6-7 | The VSC makes the following determinations regarding Veteran claimants:   * A Character of Discharge (COD) determination, if the Veteran’s discharge was not specifically under honorable conditions or was dishonorable, or * A determination of discharge for disability, subject to presumption of incurrence or aggravation under 38 CFR §3.315(b)   The PMC makes the following determination regarding surviving spouse claimants:   * A determination as to service-connected (SC) death and relationship was not *previously* made, and * No legal bar to benefits is shown. |
| When a Rating Decision is Required  Discuss the following:  Slide 14  Handout 7 | A rating decision is required when the RLC requests an eligibility determination as to whether   * The Veteran’s death was service-connected * Discharge or release from active duty was due to a service-connected disability, or * A serviceperson hospitalized pending final discharge has a service-connected disability for which they could be discharged or released. |
| Processing Requests for Certification  *Explain the following:*  Slide 15-16  *Handout 7* | Upon receipt of the eligibility determination request, the VSR should review the request and the claim file to determine if a response can be made based on the evidence already of record. There may be historic administrative or rating decisions documented in the claim file that are not reflected in our electronic systems.  If a historic determination affecting home loan eligibility has already been made, annotate the certification request with a response accordingly, obtain the required signatures, notify the request originator, and document the response in the claim file. In this instance, the EP 290 should be changed to EP 400 – *Correspondence* and cleared.  If a determination is required, accomplish all development necessary to render a decision, including all available service department records, and proceed with the requested eligibility determination.  **Important:** Determinations made for VA internal use typically do *not* require due process or 5103 notification to the claimant. Also, the VSC or PMC should *not* notify the claimant of the outcome of the eligibility determination – this will be done by the RLC after they receive the response to the certification request. |
| COD Determinations  *Explain the following:*  Slide 17-18  *Handout 7-8* | If the request concerns character of service and a COD determination has not been made, proceed with the instructions in [M21-1 III.v.1.B.1](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014217/M21-1-Part-III-Subpart-v-Chapter-1-Section-B-Statutory-Bars-to-Benefits-and-Character-of-Discharge-COD#1e) to develop for the required evidence and make a determination *before* responding to the certification request. The response should include *all* periods of service which could affect benefit entitlement.  It is important to note that the VA Home Loan Program has special character of service provisions that differ between active duty Veterans and members of the Reserve/National Guard. Refer to M26-1, Chapter 7 for a detailed explanation and examples of these rquirements. These may factor in a COD determination for LGY purposes. |
| Memorandum Rating Decisions  Explain the following:  Slide 19  *Handout 8* | If a rating decision is required, refer the claim to the rating activity for a decision based on the evidence of record per [M21-1 III.i.2.C.2.d](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014102/M21-1,-Part-III,-Subpart-i,-Chapter-2,-Section-C---Ancillary-Benefits-and-Other-Issues-Involving-Pre-Discharge-Claims#2d). If additional evidence is needed, such as service records, remember to develop for these prior to making the claim Ready for Decision.  Advise trainees there are special routing procedures for non-rating EPs, such as an EP 290, that require a rating decision. Refer trainees to the NWQ Playbook – Phase 1&2 for more information.  Once the rating decision has been completed, generate and authorize a record-purpose award and close the pending EP 290. Annotate the RLC request for certification with the language contained in [M21-1 III.i.2.C.2.e](https://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014102/M21-1,-Part-III,-Subpart-i,-Chapter-2,-Section-C---Ancillary-Benefits-and-Other-Issues-Involving-Pre-Discharge-Claims#2ehttps://vaww.vrm.km.va.gov/system/templates/selfservice/va_kanew/help/agent/locale/en-US/portal/554400000001034/content/554400000014102/M21-1,-Part-III,-Subpart-i,-Chapter-2,-Section-C---Ancillary-Benefits-and-Other-Issues-Involving-Pre-Discharge-Claims).  **Reminder:** Do *not* notify the claimant of the outcome of the eligibility determination – this will be done by the RLC once they receive the certification response from the VSC or PMC. |
| DEMONSTRATION | If available, use a live claim to demonstrate the above procedures. |
| Regional Office Specific Topics | At this time add any information pertaining to:   * Station quality issues with this lesson * Additional State specific programs/guidance on this lesson |

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| Practical Exercise, Lesson Review and Wrap-up | |
| Time Required | 10 minutes |
| EXERCISE  Handout 9 | Refer the trainees to the Practical Exercise in the lesson Handout. Allow them several minutes to answer the questions and review the answers as a group.  If short on time, these questions could also be posed to the class as a whole as group discussions. These questions can also be inserted throughout the lesson as knowledge checkpoints.  Ask if there are any questions about the information presented in the exercise, and then proceed to the Lesson Review and Wrap-up. |
| Review the Lesson Objectives  Slide 20 | You have completed the VA Home Loan Guaranty lesson.  TheVSR trainee should be able to:   * Define the VA Home Loan Guaranty (LGY) claims process and benefit eligibility criteria * Identify prescribed application forms and end product (EP) controls * Recognize the different roles and responsibilities processing LGY claims * Explain the actions needed to respond to a LGY request for certification |